

EXHIBIT 1

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

STEPHEN M. FRIEDBERG, :
Plaintiff, : CIVIL ACTION
v. : No. 02-CV-3193
MUTUAL HOLDINGS, LTD., et al., : (Judge Yohn)
Defendants. :
:

RULE 26(a) DISCLOSURES OF STEPHEN M. FRIEDBERG

Pursuant to Federal Rule of Civil Procedure 26(a), plaintiff Stephen M. Friedberg provides the following disclosures.

A. INDIVIDUALS LIKELY TO HAVE DISCOVERABLE INFORMATION THAT FRIEDBERG MAY USE TO SUPPORT HIS CLAIMS

1. Stephen M. Friedberg, 4204 Tamarack Lane, Murrysville, PA 15668.

Mr. Friedberg has knowledge of the underlying facts supporting the allegations in the Complaint.

2. David Alexander, 44 Church Street, PO Box HM 2064, Hamilton HM HX Bermuda. Mr. Alexander may have knowledge of the circumstances upon which the dividends in question were declared and the agreement to transfer those dividends from the shareholder accounts to other investment accounts subject to Mr. Friedberg's direction and control.

3. Andrew Lewis, 40 Wellesley Road, Swarthmore, PA 19081. Mr. Lewis has personal knowledge of the circumstances upon which the dividends in question were declared and of the agreement to transfer those dividends from the shareholder accounts to other investment accounts subject to Mr. Friedberg's direction and control.

4. Steve Gitter, Morgan Stanley, c/o Margaret Manolokis, Stradley Ronon, Great Valley Corporate Center, 30 Valley Stream Parkway, Malvern, PA 19355-1481. Mr. Gitter has knowledge of the deposit of the dividends in question, and accumulated earnings, in accounts with Morgan Stanley (formerly deposited with Legg Mason, Prudential Securities, Inc., Dean Witter Reynolds, Inc., and Morgan Stanley Dean Witter); the terms and conditions of such accounts; the direction and control of Mr. Friedberg over the funds in such accounts; and the daily management of the funds in such accounts.

5. Gary Roche, Legion Insurance Company, c/o Charlotte E. Thomas, Wolf Block Schorr and Solis-Cohen, LLP, 1650 Arch Street, Philadelphia, PA 19103. Mr. Roche has personal knowledge of the circumstances upon which the dividends in question were declared and the agreement to transfer those dividends from the shareholder accounts to other investment accounts subject to Mr. Friedberg's direction and control.

Mr. Friedberg reserves the right to supplement this list should he identify additional individuals as his investigation continues.

B. DESCRIPTION BY CATEGORY AND LOCATION OF ALL DOCUMENTS, DATA COMPILATIONS AND TANGIBLE THINGS IN THE POSSESSION, CUSTODY OR CONTROL OF FRIEDBERG THAT FRIEDBERG MAY USE TO SUPPORT HIS CLAIMS

Friedberg possesses documents concerning the investment of the dividends, and accumulated earnings, maintained and managed in the Morgan Stanley accounts, including, but not limited to, quarterly statements. Friedberg also possesses various correspondence between him and the Mutual defendants.

Friedberg reserves the right to supplement this list should he locate additional documents as his investigation continues.

C. ANY INSURANCE AGREEMENTS UNDER WHICH ANY PERSON CARRYING ON AN INSURANCE BUSINESS MAY BE LIABLE TO SATISFY PART OR ALL OF A JUDGMENT WHICH MAY BE ENTERED OR TO INDEMNIFY OR REIMBURSE FOR PAYMENTS MADE TO SATISFY THE JUDGMENT

N/A.

D. ANY PERSON WHO MAY BE USED AT TRIAL TO PRESENT EVIDENCE UNDER RULES 702, 703 OR 705

Mr. Friedberg will timely disclose any expert retained subsequently, together with the report(s) and other disclosures required pursuant to Rule 26(a)(2) of the Federal Rules of Civil Procedure.

ba

David Smith, Esquire (ID No. 21480)
Han Nguyen, Esquire (ID No. 85860)
SCHNADER HARRISON SEGAL
& LEWIS LLP
Suite 3600, 1600 Market Street
Philadelphia, PA 19103

Attorneys for Plaintiff

Dated: June 28, 2005

CERTIFICATE OF SERVICE

I hereby certify that on the 28th day of June 2005, a true and correct copy of the foregoing Rule 26(a) Disclosures was served by first class mail, pre-postage paid, on the following:

Margaret Manolakis, Esquire
Stradley Ronon Stevens & Young, LLP
Great Valley Corporate Center
30 Valley Stream Parkway
Malvern, PA 19355-1481
Attorneys for Defendant Morgan Stanley

Douglas Christian, Esquire
Ballard Spahr Andrews & Ingersoll, LLP
1735 Market Street, 51st Floor
Philadelphia, PA 19103
Attorneys for the Mutual Defendants


Han Nguyen

EXHIBIT 2

1 do.
 2 A. I work with insurance
 3 agents and brokers with their large
 4 corporate insurance buyers
 5 structuring the insurance programs.
 6 So it's sales, marketing,
 7 underwriting, analysis.

8 Q. When did you join Keystone?

9 A. Approximately April of
 10 2002.

11 Q. Prior to that you were
 12 employed by Commonwealth Risk
 13 Services, Inc.; is that correct?

14 A. Yes.

15 Q. For how long were you with
 16 CRS?

17 A. Beginning approximately the
 18 fall of 1989.

19 Q. Tell me what you did
 20 generally for CRS.

21 A. I was a salesman, and I was
 22 in charge of marketing the entire
 23 suite of MRM products, Mutual Risk
 24 Management, to agents and brokers and

1 A. Don't know.
 2 Q. Mutual Holdings Bermuda
 3 Limited?
 4 A. Don't know.
 5 Q. Mutual Indemnity Limited?
 6 A. Don't know.
 7 Q. Mutual Indemnity Bermuda
 8 Limited?
 9 A. Don't know.
 10 Q. You don't know whether you
 11 were employed by any of those
 12 companies?

13 A. My business card had two
 14 companies. I originally was hired by
 15 Legion Insurance Company, and then I
 16 was -- subsequently left Legion in an
 17 inter-company move and went to
 18 Commonwealth Risk Services. As far
 19 as who I was employed by, I do not
 20 know. Mutual Risk Management had a
 21 corporate structure that was set up
 22 for tax motivation, and I don't know
 23 who I actually worked for.

24 Q. I'm going to move to strike

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9/7/2005 9:18 AM

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1 their customers.

2 Q. Did you have an employment
 3 agreement?

4 A. I had at least one, if not
 5 two.

6 Q. Do you still have those?

7 A. I could not locate them.

8 Q. Do you believe you have
 9 them, but you haven't been able to
 10 locate them?

11 A. I could not locate them, so
 12 I don't know where they are.

13 Q. Do you know when the last
 14 time strike that -- when did you last
 15 look at either of those agreements?
 16 If you recall.

17 A. It would have been sometime
 18 around the year 2000, 2001 probably.

19 Q. Were you ever employed by
 20 any of these companies, Mutual
 21 Holdings Limited?

22 A. Don't know.

23 Q. IPC Mutual Holdings
 24 Limited?

1 the answer as nonresponsive after and
 2 including the word Mutual.

3 MS. SMITH: Objection to
 4 the motion to strike. It was
 5 perfectly responsive.

6 BY MR. CHRISTIAN:

7 Q. You never received a
 8 paycheck from any of those companies
 9 I mentioned, did you, Mr. Lewis?

10 A. To my knowledge, I don't
 11 believe so.

12 Q. You produced paystubs in
 13 response to the subpoena; correct?

14 A. I produced every paystub
 15 that I had.

16 Q. Did you have a chance to
 17 see who the company was on your
 18 paystubs?

19 A. I did not look at every
 20 paystub. You requested every single
 21 paystub since 1989. I located a few.

22 Q. Do you have any paystubs
 23 other than what you produced pursuant
 24 to the subpoena?

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1. I believe I called Brooke as well to
 2. ask her questions, Brooke Hertzler,
 3. and she was going to ask you your
 4. opinion on a couple of my questions.

5. Q. Do you understand what
 6. question I asked you, sir? Will you
 7. listen to this, please.

8. MR. CHRISTIAN: Would you
 9. read it back, please.

10. (The reporter read back the
 11. following testimony:

12. "Q Did you feel it was
 13. important to go over the items on the
 14. subpoena with counsel for
 15. Mr. Friedberg?"

16. THE WITNESS: With
 17. Mr. Friedberg's counsel? That's your
 18. question?

19. BY MR. CHRISTIAN:

20. Q. Yes.

21. A. I did it out of courtesy.

22. Q. Tell me what you remember
 23. about going over these items with
 24. Mr. Friedberg's counsel.

1. Q. Was that shortly after you
 2. received the subpoena?

3. A. That would have been on the
 4. 23rd or the 24th.

5. Q. What was the next
 6. discussion you had with Mr. Friedberg
 7. and/or his counsel relating to the
 8. subpoena?

9. A. I believe I had a call with
 10. Mr. Friedberg saying, and I can't
 11. remember if it was before or after
 12. the 22nd, but it was within that time
 13. frame, that I either was going to get
 14. subpoenaed, or I was -- or I received
 15. the subpoena. I did not talk about
 16. the details of the subpoena with
 17. Mr. Friedberg.

18. Q. Did you express any
 19. concerns in any communication you
 20. ever had with Mr. Friedberg about the
 21. subpoena?

22. A. None at all.

23. Q. Do you remember anything
 24. else about this conversation with

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1. A. My comment was that they
 2. wanted a lot of information. I
 3. didn't have the majority of the
 4. information they were looking for,
 5. because that would have been at, in
 6. my Commonwealth Risk files, and I
 7. would begin gathering.

8. I questioned them, too,
 9. about the paystubs and do you think
 10. that Mutual Indemnity meant every
 11. single paystub since 1989, and they
 12. said you need to ask Brooke, or
 13. excuse me, they said yourself.

14. Q. What else do you remember
 15. even generally about what was
 16. discussed when you went over this?

17. A. Just my comment that I
 18. don't have many of the documents that
 19. they're looking for.

20. Q. You don't remember anything
 21. else about what was discussed even
 22. generally; is that correct?

23. A. It wasn't a long
 24. conversation, no.

1. Mr. Friedberg you just testified
 2. about?

3. A. Not relevant to this case.
 4. Q. Relevant to business
 5. dealings?

6. A. No.

7. Q. Is he a friend of yours?
 8. A. No.
 9. Q. Have you read his
 10. deposition transcript?

11. A. I have.
 12. Q. For what purpose?

13. A. For entertainment purpose
 14. mainly. Having known him for years.

15. Q. Mr. Lewis, this is a very
 16. serious situation.

17. A. I am being very serious.
 18. Steve Friedberg sitting still for six

19. hours is an entertaining concept.

20. Q. For what other purpose did
 21. you read the deposition transcript?

22. A. That was my purpose.

23. Q. I just want to give you a

24. second to consider that answer. Do

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1 , you have anything you'd like to add
 2 to that?
 3 A. I guess for curiosity as
 4 well.

5 Q. Did you ask for a copy of
 6 the transcript, or did someone
 7 suggest that you read it?

8 A. I was told that the
 9 transcript was out. I believe I was
 10 asked if I wanted a copy. I believe
 11 I initially said I don't need one. I
 12 believe then it came up again and I
 13 said fine, send it to me, because I'm
 14 going to Bermuda and I will read it
 15 on the airplane.

16 Q. Someone suggested to you
 17 that you read it; correct?

18 A. Yes.

19 Q. Who suggested that to you?

20 A. It would have been one of
 21 the three attorneys.

22 Q. Did they lead you to
 23 believe why they wanted to you read
 24 it?

1 A. I did.
 2 Q. Why did you read
 3 Mr. Gitter's transcript? Again, for
 4 its entertainment value?

5 A. No. It came in the same
 6 package.

7 Q. Well, did someone suggest
 8 that it would be a good idea for you
 9 to read Mr. Gitter's transcript?

10 A. I don't remember if that
 11 came up. It did come mailed in a
 12 package.

13 Q. Did you take any notes of
 14 your review of the transcripts?

15 A. I did not.

16 Q. Did you provide any
 17 information to counsel for
 18 Mr. Friedberg relating to your review
 19 of the transcript or as a result of
 20 your review of the transcripts?

21 A. Could you repeat that
 22 question, please.

23 {The reporter read back the
 24 following testimony:

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1 A. I believe the quote was, I
 2 think you will find it amusing.

3 Q. Who said that to you?

4 A. It was one of the three
 5 attorneys.

6 Q. Well, do you know who it
 7 was?

8 A. I really don't. It may
 9 have been a conference call. The
 10 reference was to you losing your
 11 temper.

12 Q. So they wanted you to read
 13 it because they thought you would
 14 find it amusing; that's what one of
 15 them said to you?

16 A. We think you'll find it
 17 amusing. I believe that was the
 18 quote.

19 Q. Was there any other reason
 20 given or suggested for your reading
 21 the transcript?

22 A. Uh-uh. No.

23 Q. Did you read Mr. Gitter's
 24 transcript?

1 " Q. Did you provide any
 2 information to counsel for
 3 Mr. Friedberg relating to your review
 4 of the transcript or as a result of
 5 your review of the transcripts?"

6 THE WITNESS: I do not
 7 believe I did.

8 BY MR. CHRISTIAN:

9 Q. How about to Mr. Friedberg?

10 A. I do not believe I
 11 commented to him about his
 12 deposition.

13 Q. Have you commented to him
 14 about Mr. Gitter's deposition?

15 A. I do not believe I did.

16 Q. Have you commented to
 17 anyone, including any of your
 18 colleagues at work, about either
 19 deposition?

20 A. No.

21 Q. How many times did you read
 22 them?

23 A. I read them once.

24 Q. What did you do with them

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1. I don't know what else they did.

2. Q. What did you hear? Did you
3. hear anything about what they did?

4. A. From my coworkers?

5. Q. From anybody.

6. A. No.

7. Q. What was the next
8. conversation you had with anybody
9. about the subpoena or the documents
10. being produced pursuant to the
11. subpoena after that person reviewed
12. the documents and left?

13. A. The documents were in a box
14. and I would have received -- I did
15. receive a phone call from -- I'm not
16. sure if it was Mr. Rega or Ms. Smith
17. about the documents and they said
18. that certain documents were not
19. relevant, those were the accounting
20. documents that I alluded to.

21. Q. Are those the only
22. documents they mentioned in that
23. call?

24. A. And then there was a

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1. Q. I mean that's what you
2. said. Which documents in this
3. conversation did they indicate were
4. not relevant? You've said the
5. accounting documents; correct?

6. A. There were accounting
7. documents on the -- with Legion
8. Insurance Company and the two
9. December of 2004 e-mail cover notes
10. with the same document behind them.
11. I do not believe there were any other
12. documents.

13. Q. By that answer you mean you
14. don't believe you were advised that
15. any other documents were irrelevant
16. in that conversation. Is that what
17. you meant?

18. A. Yes.

19. Q. What did you say in
20. response to that?

21. A. Okay.

22. Q. Okay, what? Did they want
23. you to take them out of the box?

24. A. They said those were not

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1. document from December of 2004 with
2. an e-mail cover note to Mr. Rega, and
3. I cannot remember if it was a back
4. and forth or two independent ones,
5. but it was one document.

6. Q. So accounting documents and
7. these December '04 e-mails were
8. documents. Were they the only two
9. types of documents mentioned in this
10. phone call that weren't relevant?

11. MS. SMITH: Objection.

12. Mischaracterizes his testimony. He
13. indicated that the first section --

14. MR. CHRISTIAN: I don't
15. need a speaking objection. I'll
16. rephrase the question.

17. MS. SMITH: Thank you.

18. BY MR. CHRISTIAN:

19. Q. In the conversation with
20. someone from Mr. Rega's firm, whoever
21. it was indicated that certain
22. documents in the box were not
23. relevant. Am I right so far?

24. A. Relevant, sure.

1. relevant, take them out of the box.
2. I said okay.

3. Q. Did you have any other
4. discussion during that conversation
5. about the subpoena or the documents
6. to be produced?

7. A. Not to my recollection.

8. Q. So you took those documents
9. out of the box and then what was the
10. next event or conversation relating
11. to the subpoena or the documents?

12. A. I'm not sure exactly. My
13. recollection is that I would have
14. called Brooke to arrange for the
15. service, copying service, to come
16. out.

17. Q. Now, when you talked with
18. Ms. Hertzler, did you tell her that
19. you had removed certain documents at
20. the suggestion of Mr. Friedberg's
21. counsel?

22. A. We talked about a -- I'm
23. trying to remember the phrase that
24. she used -- about a document that I

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1 had prepared that was not to be
 2 submitted, and I said I understand
 3 which document she's talking about.
 4 Q. Prior to that conversation
 5 you had with Ms. Hertzler regarding --
 6 you're talking about the affidavit;
 7 is that correct?

8 A. I am.

9 Q. Prior to the conversation
 10 with Ms. Hertzler about the affidavit,
 11 had you had a discussion with anyone
 12 else regarding whether that document
 13 should be produced responsive to the
 14 subpoena or pursuant to the subpoena?

15 A. You mean that document, you
 16 mean the affidavit?

17 Q. Or any drafts.

18 A. The affidavit was
 19 determined not to. It was told to me
 20 that it was not to be produced.

21 Q. By whom?

22 A. By one of the three, if not
 23 all of the three, plaintiff
 24 attorneys.

1 this lawsuit; correct?
 2 A. Yes.
 3 Q. Why did you not produce
 4 those?
 5 A. I don't have them. It's
 6 not our corporate philosophy to keep
 7 e-mails that are nonrevenue
 8 generating. We have a small company
 9 with limited server space; we delete
 10 everything.

11 Q. Did you delete any e-mails
 12 relating to this lawsuit after you
 13 received the subpoena?

14 A. I do not believe so.

15 Q. Did you ever have a
 16 discussion with counsel for
 17 Mr. Friedberg or with Mr. Friedberg
 18 regarding deletion of any e-mails
 19 either generally or specifically?

20 A. Yes, I told them that we
 21 delete our e-mails at our company.

22 Q. How did that come up?

23 A. I said I don't have very
 24 many e-mails.

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1 Q. And that was before your
 2 conversation with Ms. Hertzler about
 3 it; is that correct?

4 A. Yes.

5 Q. All right. So they told
 6 you not to produce accounting
 7 documents, they told you not to
 8 produce two December '04 e-mail cover
 9 notes with the accounting documents,
 10 they told you not to produce the
 11 affidavit. Did they tell you not to
 12 produce anything else?

13 A. Not to my recollection.

14 Q. Did they tell you not to
 15 produce certain e-mails that went
 16 back and forth among you and the
 17 lawyers for Mr. Friedberg?

18 A. No.

19 Q. There have been e-mails
 20 between you and lawyers for
 21 Mr. Friedberg over the last couple of
 22 years; correct?

23 A. Yes.

24 Q. Some of them relating to

1 Q. So they asked you about
 2 e-mails and you said you don't have
 3 very many?

4 A. I'm not sure if they asked
 5 me or I initiated it, but that came
 6 up and I said I don't keep e-mails.

7 Q. After that conversation did
 8 you delete any e-mails relating to
 9 this matter?

10 A. I do not believe so.

11 Q. When did you have that
 12 conversation? Was it before or after
 13 you got the subpoena?

14 A. After.

15 Q. Do you have any e-mails
 16 relating to this lawsuit that you did
 17 not produce?

18 A. There would have been
 19 extensive e-mails at MRM, so my -- so
 20 I did not produce any of those.

21 Q. But you don't work at MRM.

22 A. I do not.

23 Q. I'm asking for e-mails you
 24 have access to at work or at home.

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1 a draft of the attachment?

1 testimony were e-mails from Kristy

2 Ireland. Do you see that?

3 A. Yes.

4 Q. Who is Kristy Ireland?

5 A. She works at Research

6 Underwriters.

7 Q. Do you know what e-mails

8 are referred to there?

9 A. I believe that was the

10 e-mail and the attachments associated

11 with those e-mails are listed below.

12 That's my recollection.

13 Q. I am done with 35.

14 Let's talk about your

15 preparation for this deposition. I

16 think you testified a little earlier

17 that you set aside yesterday. Was

18 that to meet with counsel for

19 Mr. Friedberg?

20 A. Yes.

21 Q. With whom did you meet?

22 A. With the three attorneys.

23 Q. Mr. Nguyen, Ms. Smith and

24 Mr. Rega?

2 A. This?

3 Q. Yes. The privilege law.

4 A. No.

5 Q. You see on the first page

6 of Exhibit 35, the first line is

7 quote, In response to your letter

8 earlier today regarding documents

9 from Mr. Lewis' files not produced,

10 please see the documents listed

11 below, and then there's a list of

12 documents. Do you see that?

13 A. Uh-huh.

14 Q. Counsel for Mr. Friedberg

15 determined what documents would not

16 be produced from your files. Is that

17 true?

18 A. Yes.

19 Q. I think you've talked about

20 most of these already. The

21 spreadsheets, are they the accounting

22 documents you referred to?

23 A. Yes.

24 Q. Were they prepared in

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1 connection with the suit that was

2 brought by Legion in the Commonwealth

3 Court?

4 A. I'm not sure how to answer

5 that in connection with. They were

6 part of. I don't, I don't know who

7 prepared them.

1 A. Yes.

2 Q. Where did you meet?

3 A. At Schnader's office.

4 Q. For how long did you meet?

5 A. The meeting went from

6 approximately 2:00 until

7 approximately 5:15.

8 Q. Do they relate in any way

9 to any aspect of this lawsuit?

8 Q. Then did you have dinner or

9 drinks or did you head home, or do

10 something else?

10 A. My understanding is that

11 this lawsuit is E-11, E-14 and U-21.

11 A. And then I tried to shed a

12 little culture on Mr. Rega, showing

13 him the Liberty Bell, Independence

14 Mall, and Society Hill, and Queen

15 Village, and then we had dinner at

16 Rittenhouse Square.

12 Q. Yes.

17 Q. So you met with him, met

18 with the lawyers until about 5:15,

19 you gave Mr. Rega a tour of

20 Philadelphia, and then you had dinner

13 A. So these were involved with

14 other share series, so no.

21 with Mr. Rega; correct?

15 Q. So these are unrelated to

16 any aspect of this lawsuit; is that

17 correct?

22 A. Uh-huh. Yes.

18 A. I believe they are.

19 Now, I'm sorry. Your

20 question was on the accounting.

21 Q. Did you meet with any

22 counsel for Mr. Friedberg this

21 Q. The spreadsheets.

22 A. Okay.

23 Q. Now, a couple of documents

24 I don't think we talked about in your

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1. please give me all the discussions
2. including meetings.

3. A. It is probable and likely
4. that we had numerous discussions all
5. through the years. I'm not sure I
6. would remember any specific other
7. than the Mutual Indemnity meeting in
8. 2002. I believe there was another
9. meeting in Bermuda at Mutual
10. Indemnity preceding that, and there
11. may have been yet another preceding
12. that.

13. In advance of those
14. meetings there would have been
15. numerous phone calls from discussing
16. hotel arrangements, travel
17. arrangements, meeting arrangements,
18. information to bring. There was a
19. financial transaction between MRM and
20. Research Underwriters, and I believe
21. Mr. Rega represented Research
22. Underwriters on that. I'm not sure
23. of that time frame. I believe that
24. was '96 or '97.

1. Q. Did he tell you why he
2. wanted that information?
3. A. My recollection is that
4. there were lawsuits at the time with
5. Mutual Indemnity, and he wanted to
6. get a better understanding of the
7. components of the programs.

8. Q. Where did you meet with
9. him?

10. A. I believe it was in my
11. office.

12. Q. Was anyone else there?

13. A. No.

14. Q. How long did it last? Do
15. you know?

16. A. I think it was the better
17. part of the day. I believe he came
18. in the morning and I believe he left
19. late afternoon.

20. Q. So he asked detailed
21. questions regarding MRM's structure
22. and Mutual Indemnity. Did you
23. discuss anything else?

24. A. That's pretty broad.

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1. Q. What generally was that
2. financial transaction?

3. A. There was a New York City
4. livery program that Research
5. Underwriters acted as the, I'll call
6. it MGA for, and Mutual Risk
7. Management bought out their interest
8. in that program and the servicing
9. responsibilities.

10. Q. Okay. I've heard enough.
11. Why don't you continue with your
12. chronology. Thank you for explaining
13. that to me.

14. A. So that is about up to
15. 2002. I do not believe I had any
16. face-to-face meetings with Mr. Rega
17. after that until maybe December of
18. 2004, plus or minus.

19. Q. What were the circumstances
20. regarding that meeting?

21. A. Mr. Rega was asking me
22. detailed questions of the MRM
23. structure and particular reference to
24. Mutual Indemnity.

1. Q. My question is, did you
2. discuss anything else?

3. A. Relevant to this case,
4. probably not. We both like our
5. respective football teams and
6. baseball teams and we have a rivalry,
7. but it was limited to the MRM, Mutual
8. Indemnity, and we would have --
9. within the MRM structure would have
10. been Legion as well.

11. Q. Did he tell you why he was
12. asking these questions?

13. A. He wanted a better
14. understanding of how everything
15. worked. The MRM program structures
16. were very complicated.

17. Q. So you spent a day talking
18. with Mr. Rega about this?

19. A. Yes.

20. Q. Did you receive any
21. compensation?

22. A. I don't believe he even
23. bought me lunch.

24. Q. Why did you spend a day

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1 talking to Mr. Rega about this?
 2 A. Because I felt it was
 3 necessary. I have spent an
 4 incredible amount of time with
 5 customers and their attorneys on
 6 Legion issues, Mutual Indemnity
 7 issues, and MRM issues.

8 Q. There were confidentiality
 9 provisions in your employment
 10 agreement; is that correct?

11 A. I don't have any
 12 recollection of confidentiality
 13 agreement within my employment
 14 provision.

15 Q. Did you tell anyone from
 16 any of the MRM-related companies that
 17 you were going to or had met with
 18 Mr. Rega?

19 A. I had numerous discussions
 20 with Mr. Pickering. I had
 21 discussions with Mr. Watson, I had
 22 discussions with Mr. Alexander. They
 23 knew that I was trying to get both
 24 sides to agree.

1 what he believes, Ms. Smith.

2 MS. SMITH: Asked and
 3 answered.

4 MR. CHRISTIAN: I'm not
 5 asking what someone told him.
 6 MS. SMITH: Same
 7 objection. Asked and answered.

8 THE WITNESS: Can I answer
 9 it at all?

10 BY MR. CHRISTIAN:

11 Q. Please do.

12 A. No.

13 Q. What do you think your
 14 shares are worth right now,
 15 Mr. Lewis?

16 A. I could sell my shares
 17 certificate on eBay for greater value
 18 than I could realize from selling my
 19 shares. So that would be a nominal
 20 number.

21 Q. De minimis; correct?

22 A. Yes. Latin was not my
 23 strength.

24 Q. They're not worth anything,

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1 Q. Do you have any financial
 2 interest in the outcome of this case?

3 A. I'm a shareholder of MRM.
 4 So to the extent MRM does well, my
 5 shares will go up or down in value.

6 Q. Do you have any other
 7 financial interest in the outcome of
 8 this case?

9 A. No.

10 Q. Do you honestly expect the
 11 resolution of this case to have any
 12 effect whatsoever on the value of the
 13 MRM shares you hold?

14 A. Mr. Pickering told me that
 15 if Mr. Friedberg wins, it has the
 16 possibility of jeopardizing all of
 17 the remaining MRM assets.

18 Q. Do you honestly believe
 19 that the outcome of this case has any
 20 effect on the value of the MRM shares
 21 you hold?

22 MS. SMITH: Asked and
 23 answered.

24 MR. CHRISTIAN: I'm asking

1 are they?

2 A. No. Actually I think they
 3 are trading for cents on the dollar.

4 Q. And you have no other
 5 financial interest in the outcome of
 6 this lawsuit; is that correct?

7 A. That's correct.

8 Q. Have you ever had a
 9 financial interest in the outcome of
 10 this lawsuit since you left CRS?

11 A. No.

12 Q. So is it your testimony
 13 that Mr. Pickering or Mr. Watson or
 14 Mr. Alexander knew that you were
 15 going to spend a day with Mr. Rega
 16 answering detailed questions about
 17 MRM?

18 A. No. They knew that I was
 19 working with Mr. Friedberg to try to
 20 get a resolution to the
 21 circumstances.

22 Q. Why was it in your
 23 financial interest for that to happen
 24 or succeed?

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1 commented just that these structures
 2 were a true win for all parties
 3 involved, meaning the insurance
 4 companies made out, the reinsurance
 5 companies made out, the agents and
 6 the brokers made out, and the
 7 shareholders made out, and how unique
 8 that was in the business world that
 9 everybody makes out.

10 Q. And included in those
 11 entities was Mr. Friedberg's company;
 12 correct?

13 A. Yes.

14 Q. Do you remember anything
 15 else about that day-long meeting?

16 A. Just discussions on my
 17 opinion on the current status of the
 18 Legion liquidation and current status
 19 of Mutual Indemnity and the Mutual
 20 Indemnity companies, what was
 21 happening to the various different
 22 people, who was running it, running
 23 Mutual Risk Management.

24 Q. Have you ever met with

1 Mr. Rega came to Philadelphia to meet
 2 with Ron Williams at Legion.
 3 Q. When was that? Do you
 4 know?
 5 A. It was either late spring,
 6 early summer.

7 Q. 2005?

8 A. In 2005, yes.

9 Q. Did you discuss any aspect
 10 of this lawsuit when you met with
 11 Mr. Rega that day?

12 A. I don't believe so.

13 Q. Or on any of those days?

14 A. No. It was really the
 15 Legion issue.

16 Q. When was the next face-to-
 17 face meeting you had with Mr. Rega?

18 A. I believe it was when he
 19 was in town, in Philadelphia, excuse
 20 me, for Mr. Friedberg's deposition.
 21 I don't know the date of that. You
 22 have it in your records somewhere.

23 MR. CHRISTIAN: Let's go
 24 off the record.

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1 Mr. Gentile?

2 A. I do not believe I've ever
 3 had a face-to-face meeting with him.

4 Q. Have you ever had telephone
 5 conversations with him?

6 A. I had conversations with
 7 him.

8 Q. Telephone conversations?

9 A. Telephone conversations.

10 Excuse me.

11 Q. And was Mr. Rega involved
 12 in any of those?

13 A. Meaning a three-way
 14 conversation?

15 Q. Yes.

16 A. I do not remember that. He
 17 may or may not have been. I have no
 18 recollection.

19 Q. Let's get back to your
 20 meetings with Mr. Rega. You talked
 21 about the December '04 meeting. When
 22 was the next face-to-face meeting you
 23 had with Mr. Rega?

24 A. My recollection was when

1 RECESS

2 BY MR. CHRISTIAN:

3 Q. We were beginning to talk
 4 about the meeting you had with
 5 Mr. Rega when he was in town for
 6 Mr. Friedberg's deposition. So I'd
 7 like to ask you a few questions about
 8 that.

9 Who attended that meeting?

10 A. My recollection was that it
 11 was the three attorneys,
 12 Mr. Friedberg, were there, and then I
 13 came in, I believe I came in right at
 14 lunchtime and then left shortly
 15 thereafter. So I don't think there
 16 was anybody else.

17 Q. Was that the day of

18 Mr. Friedberg's deposition?

19 A. I don't, I don't believe
 20 so. I think it was in advance. I
 21 think it was the day before.

22 Q. I see. What was the
 23 purpose, as you understood it, of
 24 your attending that meeting?

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1 . . . A. They had asked if I would
2 come to the meeting in case they had
3 questions.

4 Q. So you were there for how
5 long?

6 A. I would say between two and
7 three hours.

8 Q. Discussing various issues
9 with Mr. Friedberg and his lawyers in
10 preparation for Mr. Friedberg's
11 deposition; is that correct?

12 A. I believe that to be
13 accurate.

14 Q. And the lawyers or
15 Mr. Friedberg asked you to come to
16 that meeting. Is that true?

17 A. I believe that to be the
18 case.

19 Q. Did they tell you why they
20 wanted you to be at that meeting?

21 A. I believe they said in case
22 they had questions.

23 Q. Where did that occur?
24 Schnader's offices?

1 to answer those questions.

2 Q. During the two or three
3 hours that you were there, there were
4 conversations other than answering
5 questions relating to these people
6 are and what they did. Is that fair?

7 A. Yes.

8 Q. Did you talk about any
9 aspect of what Mr. Friedberg might
10 expect at his deposition, issues or
11 questions, anything along those
12 lines?

13 A. No. They were mainly
14 asking me questions personnel
15 related, personnel related to Mutual
16 Indemnity.

17 Q. When you say "mainly," what
18 I'm trying to understand is what else
19 you discussed. Do you remember?

20 A. Yes. There were a series
21 of, I guess, interactions between
22 Mr. Friedberg and the senior MPM
23 executives. Mr. Mulderig our
24 chairman, bought a Porsche from

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1 A. Schnader's office.

2 Q. Tell me what you recall
3 being discussed at that meeting.

4 A. My recollection is they
5 were asking about Mutual Indemnity
6 employees, Paul Watson, David
7 Alexander, Neville Billimoria, Ellen
8 Charley, Gary Roche, Dale Gawley, and
9 the remainder were the Mutual
10 Indemnity account executives. Do you
11 want me to -- my recollection, keep
12 going through that list?

13 Q. If you wouldn't mind, yes.

14 A. Jason Flaxbeard, Lisah -- I
15 can't remember Lisah's last name.
16 Lisah with an H. Gran Hollineau. As
17 an aside, I'll spell these; they're
18 hard. Ian Kolowski, Angela
19 Rawcliffe, another Ian whose name
20 escapes me right now, but the basic
21 questions were who were these people
22 and what did they do for Mutual
23 Indemnity, and that was the fair
24 amount of the back and forth, trying

1 Mr. Friedberg and Mr. Friedberg, when
2 Mr. Mulderig drove from Pittsburgh to
3 Rhode Island, did not give him the
4 proper papers, and Mr. Mulderig was
5 very upset with that. We discussed
6 that at length.

7 Q. What else did you discuss?

8 A. Mr. Friedberg was -- the
9 president of MRM, John Keesock, John
10 Keesock -- Mr. Friedberg bought John
11 Keesock a Porsche 911, we talked
12 about that, and the difference
13 between those two individuals and
14 cars.

15 Q. What else did you discuss?

16 A. We talked about the timing
17 of the original Legg Mason account
18 with Mr. Fischetti. They asked did I
19 remember exactly when that happened,
20 when that account was put on. I
21 don't know the definitive date of
22 that. We discussed my relationship
23 with Mr. Gitter, and actually I guess
24 my relationship with Mr. Fischetti as

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1 well. I'm not sure what else was, if
 2 anything else, was discussed.

3 Q. Do you know whether
 4 Mr. Friedberg was at the meeting
 5 before you attended or after you
 6 left? In other words, were you there
 7 for just part of the meeting, to your
 8 knowledge?

9 A. Oh, the meeting was in
 10 process when I arrived, and I don't
 11 know what happened after I left.

12 Q. Did you discuss any of the
 13 positions of the parties in the
 14 lawsuit or the status of the lawsuit?

15 A. Can you -- positions?

16 Q. Arguments Friedberg was
 17 making. Arguments the defendants
 18 were making. Any allegations or
 19 defenses. Anything along those
 20 lines.

21 A. No. It was really directed
 22 questions at the Mutual Indemnity
 23 employees, questions asking me about
 24 Fischetti and Gitter. I don't

1 regard to the parties' rights and
 2 obligations. Do you agree with that?

3 A. I'm not sure I'd say that.
 4 I'd say there's a lawsuit that
 5 shouldn't have been filed.

6 Q. By Mr. Friedberg, correct?

7 A. Actually I don't know if
 8 there's a lawsuit from Mutual
 9 Indemnity so...

10 Q. Do you remember anything
 11 else being discussed at that meeting
 12 the day before Mr. Friedberg's
 13 deposition other than what you've
 14 told us about?

15 A. I don't believe so.

16 Q. When was the next face-to-
 17 face discussion with Mr. Rega?

18 A. I believe it was yesterday.
 19 Q. All right. And yesterday
 20 was a deposition preparation
 21 session. Let's talk about that.

22 A. Yes.

23 Q. Did you review any
 24 documents in preparation for your

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1 believe there was any positioning
 2 discussed -- I'm sorry. The second
 3 part of your question was stature?

4 Q. Status of the lawsuit.

5 A. Status. I did make the
 6 inquiry like, why don't you guys just
 7 shut up and get together and fix it.

8 Q. Fix what, the dispute?

9 A. No. Just fix the -- stop
 10 yelling at each other. Mutual
 11 Indemnity and Steve were friends
 12 forever.

13 Q. Do you understand that
 14 there's a dispute between
 15 Mr. Friedberg and the defendants?

16 A. I'm not sure how I would
 17 categorize it. It's just a --

18 Q. It's a lawsuit, right?

19 A. I understand there's a
 20 lawsuit.

21 Q. And that's a dispute;
 22 wouldn't you agree with that?

23 A. I would call a lawsuit.

24 Q. There's a disagreement with

1 deposition?

2 A. There were two documents.
 3 One was the Mutual Holdings -- I may
 4 have this wrong -- Mutual Holdings
 5 articles of incorporation, and the
 6 second document was a letter that I
 7 received from an attorney in New
 8 Mexico and I asked Ms. Smith to tell
 9 me what it means.

10 Q. Attorney in New Mexico?

11 A. Yes.

12 Q. All right. You reviewed
 13 both of those in preparation for the
 14 deposition?

15 A. Those are the two documents
 16 that we went over.

17 Q. The only two; is that
 18 correct?

19 A. I don't have any
 20 recollection of any -- those were the
 21 only two documents.

22 Q. You looked at those
 23 documents yesterday; correct?

24 A. I did.

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1 . . . Q. What else did he tell you?
 2 I'm talking about what Mr. Rega told
 3 you last night about Gentile, U-21,
 4 or this inquiry we had made regarding
 5 a letter.

6 A. He said that that letter
 7 was apparently used -- I'm trying to
 8 remember exactly how he said that.
 9 There was an issue with Mr. Ouimette
 10 and Mr. Friedberg upon Mr. Ouimette's
 11 divorcing his wife, which was
 12 Mr. Friedberg's sister, and he was a
 13 partner in Mr. Friedberg's business,
 14 and as part of the separation they
 15 had to determine, I guess, the share
 16 of all of the assets at hand, and
 17 that letter was used in the
 18 determination of the allocation of
 19 those assets.

20 Q. What did he tell you about
 21 how the letter was used?

22 A. It was used -- I'm trying
 23 to remember exact words -- it was
 24 used to, it was used to reduce

1 that that was something that I had
 2 routinely said no, thank you, but it
 3 was also evidence of the job that I
 4 did as a salesman for -- on their
 5 programs and for HRM.

6 Q. What else was discussed
 7 last night with Mr. Rega or anyone
 8 else involving Mr. Gentile or the
 9 letter or U-21 or our inquiries
 10 regarding the letter?

11 MS. SMITH: Objection as to
 12 form.

13 THE WITNESS: What was that
 14 last part of that question?

15 BY MR. CHRISTIAN:

16 Q. Our inquiry regarding the
 17 letter.

18 A. There was nothing mentioned
 19 on the inquiry. I'm not sure I
 20 understand that aspect of it.

21 With the U-21 program, and
 22 the offer of the ownership, it was
 23 believed by Mr. Friedberg and
 24 Mr. Ouimette that during the course

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1 Mr. Ouimette's share of the
 2 allocation.

3 Q. Used by whom?

4 A. I don't think he said by
 5 whom.

6 Q. Did you have an
 7 understanding of who used it?

8 A. I had assumed it was
 9 Mr. Friedberg.

10 Q. What other conversation did
 11 you have with Mr. Rega last night
 12 about Mr. Gentile or the letter or
 13 U-21 or our inquiry?

14 A. He asked was this a
 15 surprise and a common kind of
 16 occurrence, and I said no, it was not
 17 a surprise and no, it's not a common
 18 occurrence. Mark and Steve had,
 19 within the U-21 structure, offered me
 20 ownership in that, they had offered
 21 me ownership in other things, and a
 22 number of other clients had offered
 23 me ownership as well.

24 My comment to Mr. Rega was

1 of our relationship that -- that they
 2 had a disproportionate benefit of our
 3 relationship; that I did a lot of
 4 work and did not get compensated
 5 fairly.

6 And my comment to them and
 7 to Mr. Rega last night was that that
 8 was just evidence of a good sales job
 9 and that's how we were trained to do
 10 it. So I told him that I had no
 11 ownership; it was repeatedly offered;
 12 I had been offered a number of things
 13 from Mr. Friedberg and Mr. Ouimette
 14 over the years, from vacations, from
 15 a Ferrari, numerous other types of
 16 gifts, vacations, wines.

17 I have not accepted
 18 anything from Mr. Friedberg except
 19 for a hundred dollar bill once in
 20 Bermuda, which went to a bar tab, and
 21 then a pair of I'll say Head skis
 22 without bindings, which I gave to my
 23 sister.

24 Q. What other conversation did

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1 Now, we are here to depose
 2 Mr. Lewis. This is clearly relevant
 3 to the issue of the credibility of
 4 Mr. Lewis; I don't think there's any
 5 question about that.

6 Do you know, as you sit
 7 here today, whether your office has
 8 any of these attachments?

9 MS. SMITH: First of all,
 10 let me note what the letter says.
 11 The letter says, and I quote, I
 12 reviewed the forms along with the
 13 balance sheet. I offer the following
 14 comments: I note that the attached
 15 account statements still reflect
 16 Mr. Lewis' alleged one million plus
 17 interest, see U-21, period.

18 Now, that sentence, I
 19 think, if you read it fairly refers
 20 to attachments to the forms that were
 21 reviewed, and I note again that
 22 there's no indication on this letter
 23 of any enclosure.

24 MR. CHRISTIAN: All right.

1 initially by Mr. Friedberg. It is
 2 clearly relevant. It goes right to
 3 the heart of this witness's
 4 credibility, and it was like pulling
 5 teeth to get this document. I don't
 6 know why it was not produced
 7 initially. Do you?

8 MS. SMITH: I believe in
 9 discussions with Mr. Nguyen that he
 10 indicated it was an oversight, and I
 11 believe as soon as he discovered it
 12 it was produced.

13 Let me note for the record
 14 that there is no indication yet that
 15 there are any documents relating to
 16 this letter which have not already
 17 been produced to you that are within
 18 our client's possession, custody or
 19 control. As a courtesy, we will look
 20 again.

21 MR. CHRISTIAN: Please do
 22 so. I will get the witness.

23 (Mr. Lewis came back into
 24 the room.)

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1 I'll make the request again. Will
 2 you please provide me with the
 3 documents referenced in this letter?

4 MS. SMITH: We will
 5 endeavor to be sure that we have
 6 produced all of the responsive
 7 documents that are available to us.
 8 We think we've already done it. As a
 9 courtesy, we will double-check.

10 MR. CHRISTIAN: Well, I
 11 don't think it's to be done as a
 12 courtesy. We don't have much time
 13 left, so let me say that I'd like to
 14 hear from you by the close of
 15 business Friday; I'd like to see
 16 these documents. If you're not going
 17 to produce them, then we will include
 18 a reference in the motion to compel
 19 we're filing relating to this. So
 20 that should give you plenty of time
 21 to provide these documents to me.

22 And I will state for the
 23 record, Ms. Smith, I have no idea why
 24 this document was not produced

1 BY MR. CHRISTIAN:

2 Q. Mr. Lewis, have you ever
 3 had a conversation with Mr. Gentile
 4 about any aspect of this letter or
 5 the subject matter of this letter?

6 A. I have no recollection of
 7 having conversations on that. I've
 8 talked to him about their divorce.

9 Q. Well, what do you remember
 10 discussing with Mr. Gentile about the
 11 divorce?

12 A. That it was messy.

13 Q. What else?

14 A. I don't have any direct
 15 recollections other than he said some
 16 comments about Mr. Ouimette, that he
 17 was a tough customer, tough client I
 18 guess.

19 Q. Now, Mr. Lewis, have you
 20 ever seen any document that stated or
 21 suggested that you had an interest or
 22 a potential interest in the proceeds
 23 in U-21?

24 A. Other than what is in front

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1 . . . Q. So you did not talk with
 2 them about any of the testimony you
 3 have given today; is that correct?

4 A. I asked them generally with
 5 a deposition who sees it, and they
 6 told me that -- I can't remember what
 7 they told me. They said that the
 8 judge could see it, other people
 9 could see it, but it may not even be
 10 looked at.

11 Q. Why did you wonder who
 12 would see it?

13 A. Just never actually knew.

14 Q. You've already said that
 15 you have set aside the 12th to
 16 testify; is that correct?

17 A. I have the 12th blocked
 18 out.

19 Q. So you've had some
 20 discussion with Mr. Friedberg's
 21 lawyers regarding at least the
 22 general areas of your testimony; is
 23 that correct?

24 A. Really, no. Just that I

1 they want you to testify about?

2 A. My understanding of the
 3 Mutual Indemnity programs, my role at
 4 MPM.

5 Q. Anything else?

6 A. That's pretty broad.

7 Q. Yeah, it is. Anything
 8 else?

9 A. No.

10 Q. What's the basis of your
 11 understanding as to what they want
 12 you to testify about if they haven't
 13 told you?

14 A. I guess it was my
 15 assumption, based upon several years
 16 of hearing this, these discussions,
 17 and so I guess from your discussion
 18 with me, when you came out to my
 19 office.

20 Q. Mr. Friedberg has asked you
 21 to be available for testimony on the
 22 12th, correct, or his lawyers have?

23 A. His lawyers, yes.

24 Q. Getting back real quickly

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1 would be available to testify.

2 Q. Have you had any discussion
 3 with Mr. Friedberg or his lawyers,
 4 even in general terms, regarding what
 5 they would like you to testify about
 6 in the hearing?

7 A. They have said numerous
 8 times that they would like me to
 9 testify and tell everything to the
 10 best of my knowledge, and tell the
 11 truth, and that would be it.

12 Q. But they haven't given you
 13 any indication at all as to even the
 14 general areas of your expected
 15 testimony; is that correct?

16 A. I don't believe they have.

17 Q. So as you sit here today,
 18 you have no idea what they want you
 19 to testify about at the hearing. Is
 20 that fair?

21 A. Did not say that. I have a
 22 fairly good idea of what they want me
 23 to testify about.

24 Q. Well, what do you think

1 to the question-and-answer document
 2 that you testified about before we
 3 took the lunch break, was that ever
 4 revised into an affidavit, to your
 5 knowledge?

6 A. Was that --

7 Q. Have you signed an
 8 affidavit in this case?

9 A. I have signed an affidavit.

10 Q. Do you have a copy of the
 11 affidavit?

12 A. I have a copy of the
 13 affidavit.

14 Q. Signed affidavit?

15 A. Yes.

16 Q. What did you do with the
 17 signed affidavit? Did you send it to
 18 one of Mr. Friedberg's lawyers or
 19 give it to one of Mr. Friedberg's
 20 lawyers?

21 A. It was given to Han.

22 Q. Did you give it to Han?

23 A. I did.

24 Q. For what purpose did you

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1 worked for Commonwealth Risk.

2 Q. Describe the business
3 relationship between Keystone Risk
4 and Mr. Friedberg or any of his
5 companies.6 A. The only company that
7 Keystone Risk has involvement with
8 Mr. Friedberg is Research
9 Underwriters, his insurance agency.10 We have an active common customer,
11 Krapf Coaches, out in Exton, that we
12 are actually the agent of record on
13 the policy. We took the underwriting
14 information and negotiated a Workers'
15 Compensation insurance contract.16 Q. And that was obviously
17 sometime after you started at
18 Keystone Risk; is that correct?

19 A. Yes.

20 Q. Do you or does Keystone
21 Risk have any other business
22 relationship with Mr. Friedberg or
23 any of his companies?

24 A. Presently, no.

1 companies of Mr. Friedberg.

2 I am very happy having a
3 relationship with the insurance
4 agency of Mr. Friedberg. I have no
5 desire to have a relationship with
6 the other companies that I know
7 about.

8 Q. Why is that?

9 A. They would provide very
10 little value to my company.11 Q. And the companies you're
12 talking about are?13 A. I believe Steve owns a --
14 Mr. Friedberg owns an insurance
15 company called Freedom Advantage. I
16 believe he has a premium finance
17 company. I believe he has real
18 estate and other ventures. None of
19 those I would care to do business
20 with.21 Q. You have had a role in
22 attempting to work out a settlement
23 of a dispute between Legion and/or
24 the liquidator of Legion and

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1 Q. Do you hope to?

2 A. No.

3 Q. You said presently. You
4 were drawing a distinction between --

5 A. I was.

6 Q. -- now in the future or now
7 in the past?

8 A. In the past.

9 Q. What was the business in
10 the past?11 A. In the past we facilitated
12 the acceptance of his comp advantage
13 program after it left Legion
14 Insurance Company with one of the
15 Royal & SunAlliance insurance
16 carriers.17 Q. Why do you not hope to have
18 additional business with
19 Mr. Friedberg or his companies in the
20 future?21 A. I'm not sure if that's --
22 if that was your original question,
23 then I did not answer that. I
24 thought your question was additional1 Mr. Friedberg or some of his
2 companies; is that correct?

3 A. Yes.

4 Q. And that has involved your
5 meeting with lawyers and meeting with
6 Mr. Friedberg and at least attempting
7 to meet with representatives of the
8 liquidator; is that correct?

9 A. Yes.

10 Q. Has that involved travel to
11 Bermuda?12 A. I can't say if any of the
13 travels to Bermuda were specifically
14 related to the Legion portion of the
15 business, but the Legion portion and
16 the Mutual Indemnity business are
17 very intertwined.18 Q. You have performed certain
19 analyses to assist Mr. Friedberg in
20 working things out with a
21 liquidator. Would that be a fair
22 statement?23 A. I don't think that would be
24 a fair statement. I think I have

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8/24/2005 Lewis, Andrew

1 reviewed, or actually been given
 2 spreadsheets and analyses on Research
 3 Underwriters' position with the
 4 liquidator.

5 Q. Is it your testimony, sir,
 6 that you have not performed any
 7 analyses whatsoever in the context of
 8 attempting to work out the dispute
 9 between the liquidator and Research
 10 Underwriters?

11 A. My definition of analyses
 12 would be the person who actually sat
 13 down with all the information and put
 14 a fair degree of effort into a
 15 spreadsheet. I have received
 16 spreadsheets. I have offered
 17 comments. I have reviewed it. I
 18 would not call that analyses. It was
 19 I have made efforts to help.

20 Q. And what benefit do you
 21 get? What benefit do you get from
 22 spending your time and presumably
 23 expenses helping that matter get
 24 settled?

1 in any way benefit you financially;

2 is that correct?

3 A. That is correct.

4 Q. You have also worked on
 5 behalf of Mr. Friedberg with regard
 6 to his prosecution of this claim; is
 7 that correct?

8 MS. SMITH: Objection as to
 9 form.

10 THE WITNESS: That is
 11 correct.

12 BY MR. CHRISTIAN:

13 Q. You have many documents in
 14 your files provided to you by counsel
 15 for Mr. Friedberg, correct, relating
 16 to this litigation?

17 A. That is correct.

18 Q. You have documents in your
 19 files relating to the litigation
 20 Mr. Friedberg commenced in Bermuda
 21 relating to the Mutual companies; is
 22 that correct?

23 A. That is correct.

24 Q. You have assisted

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8/24/2005 Lewis, Andrew

8/24/2005 Lewis, Andrew

1 MS. SMITH: Objection as to
 2 form.

3 BY MR. CHRISTIAN:

4 Q. In other words, why do you
 5 do it?
 6 A. Because I believe it's the
 7 right thing to do. I have assisted
 8 Legion Insurance Company when they've
 9 had questions. I've assisted Mutual
 10 Indemnity. I have assisted my
 11 customers. I have assisted the
 12 underwriting insurance buyers and
 13 their agents.

14 Q. As a principal at Keystone
 15 Risk, you have spent time on
 16 Mr. Friedberg's behalf trying to get
 17 the matter with the liquidators
 18 settled. Is that fair?

19 MS. SMITH: Objection as to
 20 form.

21 THE WITNESS: Yes. That's
 22 fair.

23 BY MR. CHRISTIAN:

24 Q. Even though that does not

1 Mr. Friedberg and/or his counsel in
 2 the prosecution of the claim in
 3 Bermuda; is that correct?

4 A. That is correct.

5 Q. Have you been paid for any
 6 of that?

7 A. For the very first time
 8 last night I got a dinner, and that
 9 is the extent to which I've been
 10 paid.

11 Q. You have flown to Bermuda
 12 on Mr. Friedberg's behalf with regard
 13 to this litigation; is that correct?

14 A. I have flown to Bermuda and
 15 met on behalf of Mr. Friedberg while
 16 I was doing other business down
 17 there. I did not make a specific
 18 trip for the sole purpose of that.

19 Q. Well, did you make any
 20 trips to Bermuda for the primary
 21 purpose of helping Mr. Friedberg in
 22 this matter?

23 A. After what date?

24 Q. After you started at

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EXHIBIT 3

VIDEO DEPOSITION OF STEPHEN M. FRIEDBERG, 7/19/05

<p>186</p> <p>1 I have a substantial amount of money 2 there. I'd like to know if they're 3 going to go under. 4 Q. Where did you meet? 5 A. I'm sorry? 6 Q. Where did you meet? 7 A. Meet who? 8 Q. Pardon me? 9 A. Meet who? 10 Q. We've been talking about 11 Andy Lewis, sir. 12 A. Okay. 13 Q. Do you need to take a 14 break? 15 A. No. 16 Q. Okay. Where did you meet 17 Andy Lewis? 18 A. In Philadelphia. 19 Q. Did you come to 20 Philadelphia for that purpose? 21 A. No. 22 Q. When did you meet with him? 23 A. I am in Philadelphia a lot. 24 Q. Good. When did you meet</p>	<p>188</p> <p>1 A. Uh-huh. 2 Q. Andy spent his money to fly 3 down and try to work out this – work 4 out a compromise? 5 A. Andy does a lot of 6 rent-a-captive business and is a 7 regular in Bermuda, and as a favor to 8 me he said he would have a 9 conversation with these guys. 10 Q. Now, you tried to settle 11 with the liquidator in the 12 Commonwealth Court as well; correct? 13 A. That's correct. 14 Q. And did Mr. Friedberg – 15 I'm sorry. 16 Did Mr. Lewis show up with 17 you at that time as well? 18 A. He did. 19 Q. And did – did he charge 20 you for that? 21 A. No. 22 Q. So he's just doing you a 23 favor? 24 A. Uh-huh. Yes.</p>
<p>187</p> <p>1 with him? 2 A. I don't recall a date. 3 Q. Was anyone else at the 4 meeting? 5 A. Andy and I spent a few 6 afternoons talking about this. 7 Q. Okay. Was anyone else at 8 the meeting? 9 A. I don't recall. 10 Q. Were any notes taken? 11 A. No. 12 Q. Have you hired him as a 13 consultant with regard to this 14 dispute? 15 A. No. 16 Q. Didn't he go to Bermuda on 17 your behalf, perhaps with you, to try 18 to work something out? 19 A. Andy did go to Bermuda to 20 try to – to try to resolve a 21 compromise. 22 Q. Who paid for that? 23 A. Andy did. 24 Q. Andy did.</p>	<p>189</p> <p>1 Q. A couple favors, actually. 2 One in Bermuda, one in the 3 Commonwealth Court situation; right? 4 A. Perhaps. 5 Q. What's your relationship 6 with Mr. Lewis? Do you do business 7 with him? 8 A. Uh-huh. 9 Q. You have to answer with a 10 word. 11 A. Yes. 12 Q. Generally tell me what that 13 business is. 14 A. We insure a client 15 together, the Krapfs, Krapf Bus 16 Company. 17 Q. You say you insure it 18 together. One of your companies 19 insures that bus company? 20 A. Uh-huh. 21 Q. Is that a yes? 22 A. Yes. 23 Q. And what's Mr. Lewis's 24 role? He's not an insurer, is he?</p>



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VIDEO DEPOSITION OF STEPHEN M. FRIEDBERG, 7/19/05

<p>190</p> <p>1 A. Mr. Lewis is a -- is a -- 2 functions as an intermediary, so he 3 puts programs together. And we 4 brought the Kraps to Mr. Lewis and 5 Mr. Lewis constructed a Workers' 6 Comp. program for them. 7 Q. Do you have any other 8 business dealings with Mr. Lewis? 9 A. No. 10 Q. Are you a friend of his? 11 A. No. 12 Q. Is he a friend of yours? 13 A. No. 14 Q. Have you talked with 15 Mr. Lewis about any testimony he may 16 have give in this case? 17 A. Yes. 18 Q. Tell me what you discussed 19 in that regard. 20 A. Testimony, I -- no details. 21 Q. Tell me what you remember. 22 A. I -- I've been focused on 23 this for me, so I really don't 24 remember.</p>	<p>192</p> <p>1 might give in this case? 2 A. Not really. 3 Q. Did you understand that 4 Andy Lewis worked for Commonwealth 5 Risk Services? 6 A. Andy Lewis presented 7 himself to me as a senior vice- 8 president and as the man who would 9 get things done. 10 Q. Do you understand that Andy 11 Lewis worked -- was employed -- 12 strike that. 13 Do you understand that Andy 14 Lewis was employed by Commonwealth 15 Risk Services? 16 A. Andy Lewis was also 17 employed by Legion Insurance Company. 18 Q. He was not employed by any 19 of the defendants in this case, would 20 you agree with that? 21 A. I don't know that. We 22 perceived the MRM Group in all -- 23 Q. Sir, you've answered my 24 question.</p>
<p>191</p> <p>1 Q. Did you talk with Mr. Lewis 2 about how he might be able to help 3 you in this litigation? 4 A. No. 5 Q. So you don't remember any 6 aspect of any discussion regarding 7 possible testimony of Mr. Lewis? 8 A. We talked about it. 9 Q. Okay. But you don't 10 remember even generally what you 11 talked about? 12 A. I have -- I have spent the 13 last month and a half going through 14 13 years' worth of documents and 15 boxes and boxes of financial 16 statements. I have been most 17 concerned about me representing the 18 facts as best as I can remember them 19 for today. And that has been my 20 focus. 21 Q. But my question was, do you 22 remember even generally what you 23 discussed with Mr. Lewis about 24 testimony, what the testimony he</p>	<p>193</p> <p>1 MR. NGUYEN: Well, hold 2 on. If what you're about to say is 3 relevant to your last answer, he has 4 a right to say so on the record. 5 MR. CHRISTIAN: Well, Han, 6 honestly, I asked a question and he 7 said I don't know. Now, what -- 8 what -- what can he add that's going 9 to clarify that? 10 THE WITNESS: Andy Lewis -- 11 Andy -- 12 MR. NGUYEN: I don't know. 13 Why don't you ask? 14 THE WITNESS: Andy Lewis 15 conducted, coordinated and set up all 16 the meetings that we had in Bermuda 17 and Andy Lewis was present at every 18 meeting that we had in Bermuda. 19 BY MR. CHRISTIAN: 20 Q. You're testifying under 21 oath that Andy Lewis was present at 22 every meeting you had in Bermuda? 23 A. If not every meeting, 98 24 percent of them. When we wanted to</p>



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EXHIBIT 4

GOLDBERG, GRUENER, GENTILE
HOROHO & AVALLI, P.C.

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HARRY J. GRUENER
GARY G. GENTILE
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March 23, 2001

Patrick J. Rega, Esquire
AMATANGELO, BAISLEY & REGA
100 Fourth Street
Donora, PA 15033

RE: OUIMETTE v. OUIMETTE

Dear Pat:

I reviewed the forms, along with the balance sheet. I offer the following comments: I note that the attached account statements still reflect Mr. Lewis's alleged \$1,000,000+ interest (See U21). If he intends to hold back his full amount, contrary to what we discussed on the phone, then we may have a problem. As you will recall, it was our intention to make him participate proportionately in the \$1.8 million claim of Mutual's. I believe his number would be something like 20% even without whatever adjustment Mark and Steve deemed appropriate. I propose distributing payments on an incremental basis to Mr. Lewis as the funds are released, assuming the funds will be released in installments and not in one lump sum. It is my understanding that \$1,000,000 incremental distributions will "stay under the radar" and be less controversial. In such a case, we would segregate portions of Mr. Lewis's "interest" in a separate account and release his share once all funds were repatriated.

Very truly yours,

Gary G. Gentile

GGG/7676/jep

EXHIBIT 5

MUTUAL

Dividend Calculation

	E11 MO	E14 MO & SF	U21 MO	M23 DK & DK MO & SF	N23 DK & DK & SF & MO MO & SF	Total
Shareholders Side agreement						
Split	50%	50%	33%	25%	25%	
Cash balance 31st December 2000	1,281,568	1,338,161	4,202,693	454,681	2,669,880	9,946,983
Cash balance 31st March 2001	1,167,498	1,153,607	4,153,124	334,280	2,653,513	9,462,023
Cash Movement	(114,070)	(184,554)	(49,569)	(120,401)	(16,367)	(484,960)
Potential surplus as at 12/31/00	1,289,033	1,188,494	3,140,122	113,550	1,489,048	7,220,247
Potential surplus as at 3/31/01	1,167,498	1,027,169	3,144,076	79,071	898,039	6,315,853
	(121,535)	(161,325)	3,954	(34,479)	(591,009)	(904,394)

All Shareholders						
Potential Dividend Available	1,167,498	1,027,169	3,144,076	79,071	898,039	6,315,853
MO & SF Share Only						
Potential Dividend Available SF & MO	1,167,498	1,027,169	2,093,955	39,536	449,019.50	4,777,177
Potential due to HRM Group						(1,800,000)
	1,167,498	1,027,169	2,093,955	39,536	449,020	2,977,177
Notes						
\$1.8m due to Mutual in connection with Premium Risk Group.						
The value of these programs varies substantially as they have a high proportion of their funds based in equity investments.						

EXHIBIT 6

The Warner Centre
332 Fifth Avenue - Suite 610
Pittsburgh, PA 15222
Phone: (412) 281-7724
Fax: (412) 281-6153

**HERGENROEDER, REGA
& SOMMER, LLC**

FACSIMILE

To: Gary Gentile, Esq. **Fax No.:** 412-261-7100
From: Patrick J. Rega, Esq. **No. Pgs. (Incl. Cover):** 2
Date: October 29, 2001
Re:

COMMENTS: Here's the latest numbers. I'll call you.

The pages comprising this fax transmission contains confidential information from Hergenroeder, Rega & Sommer, L.L.C. This information is intended solely for use by the individual or entity named as the recipient herein. If you are not the intended recipient, be aware that any disclosure, copying, distribution or use of the contents of this transmission is prohibited. If you have received this transmission in error, please notify us by telephone so that we may arrange to retrieve this message.

MUTUAL

Dividend Calculation

	E11 MO	E14 MO & SF	I21 MO	M23 OK & DK MO & SF	N23 DK & DK & SF & MO	Total
Shareholders Side agreement Split	MO & SF 50%	50%	33%	25%	25%	
Cash balance 30th June 2001	1,259,560	1,160,038	4,269,694	337,883	2,194,127	9,241,302
Cash balance 30th Sept 2001	1,252,416	1,064,277	4,079,527	334,292	2,198,886	8,929,398
Cash Movement	(7,144)	(95,761)	(210,167)	(3,591)	4,759	(311,904)
Potential surplus as at 6/30/01	1,259,560	994,705	3,177,932	82,817	952,693	6,467,707
Potential surplus as at 9/30/01	1,252,416	984,827	2,971,810	79,218	957,158	6,245,429
	(7,144)	(9,878)	(206,122)	(3,599)	4,465	(222,278)

All Shareholders						
Potential Dividend Available	1,252,416	984,827	2,971,810	79,218	957,158	6,245,429
MO & SF Share Only						
Potential Dividend Available SF & MO	1,252,416	984,827	1,979,225	39,609	478,579.00	4,734,656
Potential due to MRM Group						(1,800,000)
	1,252,416	984,827	1,979,225	39,609	478,579	2,934,656
Notes						
\$1.8m due to Mutual in connection with Premium Risk Group. The value of these programs varies substantially as they have a high proportion of their funds based in equity investments.						

EXHIBIT 7

new share ends (1 or 2)
- life

Any 4-21

Dale Hawley - 441-295-^{5-6 P.P.}
~~5548~~
ext 267

1/3 partner - 4-21

Copy to all